- The Prarambhik Shiksha Kosh (PSK) having been notified on 14th November, 2005, separate budget provision for crediting the Cess amount collected to PSK was started from 2006-07 onwards.

Taxing the high income group

1168. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government is paving the way for collection of higher taxes from high income people;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir, the Government collects income tax from high income people at a tax rate which is higher than the tax rate on other people.

(b) and (c) For the financial year 2007-08 (relevant to the assessment year 2008-09) the income tax rates for an individual or Hindu undivided family (not being a women or senior citizen) are as under:-

(i) where the total income does not exceed Rs. 1,10,000	Nil;
(ii) where the total income exceeds Rs. 1,10,000 but does not exceed Rs. 1,50,000	10 per cent of the amount by which the total income exceeds Rs. 1,10,000
(iii) where the total income exceeds Rs. 1,50,000 but does not exceed Rs. 2,50,000	Rs. 4,000 plus 20 per cent of the amount by which the total income exceeds Rs. 1,50,000;
(iv) where the total income exceeds Rs. 2,50,000	Rs. 24,000 plus 30 per cent of the amount by which the total income exceeds Rs. 2,50,000.

Where total income exceeds Rs. 10,00,000, the income tax, calculated as above, shall be further increased by a surcharge at the rate of 10 per cent of such income tax.

The amount of income tax and surcharge as above shall be further increased by

(i) an additional surcharge called 'Education Cess on income tax' at the rate of 2 per cent of such income tax and surcharge, and

(ii) an additional surcharge called 'Secondary and Higher Education Cess on income tax' at the rate of 1 per cent of such income tax and surcharge.

Twelfth Finance Commission

1169. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Twelfth Finance Commission has mandated that Rs. 20,000 crore of grant money for Panchayats from 2005—10 be disbursed by the State Governments within 15 days of receipt of money from the Central Government;